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## **AGENDA ITEM 6**

### **TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

- I. SUBJECT:** 2007-2008 Performance Plans for Recently Appointed Investment Managers (Second Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the Second Reading of the 2007-2008 Performance Plans for the Recently Appointed Investment Managers
- IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for newly-appointed investment management staff will be presented on a flow basis, as soon as is practical after each position is filled. This item presents, for second reading, the performance plans for six recently appointed Investment Managers. The duty statements are attached for information.

At the direction of the committee the following changes were made to these plans following first reading:

- Language was amended in the plan of the Senior Investment Officer, Asset Allocation / Risk Management in the Inflation Linked Asset qualitative measure;
- Succession planning language was added to the Leadership measures of the Senior Portfolio Managers.

In accordance with the program policies and procedures, the quantitative measures in these performance plans have been reviewed for clarity by the investment consultant.

### **V. STRATEGIC PLAN:**

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

**VI. RESULTS/COSTS:**

The establishment of performance measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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Chris O'Brien, Chief  
Human Resources Division

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Gloria Moore Andrews  
Deputy Executive Officer - Operations

Attachments

**2007-2008 Performance Plans for  
Recently Appointed Investment Managers**

Duty statements and 2007-2008 Fiscal Year Performance Plans are presented for second reading in the following pages:

<b><u>Position</u></b>	<b><u>Current Incumbent</u></b>
Senior Investment Officer, Asset Allocation / Risk Management	Farouki Majeed
Senior Portfolio Manager, Fixed Income	Warren Trepeta
Senior Portfolio Manager, Global Equities	Kurt Silberstein
Senior Portfolio Manager, Real Estate	Randy Pottle
Portfolio Manager, Global Equities	Michael Riffle
Portfolio Manager, Real Estate	Jane Delfendahl